

RECORDATION NO. 23393-I FILED

JUL 6 '04

2-55 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

July 6, 2004

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of (Collateral) Assignment of Lease, dated as of May 18, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum Lease Agreement which was previously filed with the Board under Recordation Number 23393-A.

The names and addresses of the parties to the enclosed document are:

Bank: The Bank of Edwardsville
330 West Vandalia
Edwardsville, Illinois 62025

Assignor: Midwest Railcar Corporation
3 Professional Park Drive, Suite B
Maryville, Illinois 62062

MEMORANDUM OF (COLLATERAL) ASSIGNMENT
OF LEASE

BETWEEN

THE BANK OF EDWARDSVILLE
("BANK")

AND

MIDWEST RAILCAR CORPORATION
("ASSIGNOR")

May 18, 2004

RECORDATION NO. 233B-I FILED

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SURFACE TRANSPORTATION BOARD

This Memorandum of Assignment of Lease is hereby entered into as of this 18th day May 2004 by and between The Bank of Edwardsville, an Illinois corporation ("Bank"), and Midwest Railcar Corporation, an Illinois corporation ("Assignor").

W I T N E S S E T H:

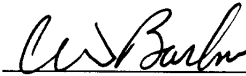
The Assignor hereby assigns, transfers and sets over unto Bank, all of the Assignor's right, title and interest in (but not its obligations) and to the lease of Forty-nine (49) 60 ft., 100-ton, 5394-5600 c.f., Plate C, RBL Boxcars as evidenced by that certain Rider 1 and Rider 2, both dated November 16, 2000 which incorporates by reference that Full Service Lease Agreement dated effective November 14, 2000 by and between Assignor (as Lessor) and Dakota Minnesota & Eastern Railroad (as Lessee), and any other Equipment Riders and schedules thereto (together, the "Lease") and all rents and other sums due thereunder, and all proceeds therefrom with respect to those certain railcars identified on the attached Schedule "A" hereto (the "Railcars"), and all rents, renewal rents, proceeds of settlement for the Railcars which are lost, destroyed or damaged beyond repair and all other sums due and to become due under and pursuant to or by reason of the Lease, including but not limited to, the payment of any purchase option price paid by the Lessee pursuant to the Lease, as well as any and all subleases of the Railcars.

This Assignment is given and intended as continuing collateral for the payment of the indebtedness of the Assignor (as "Grantor") to Bank (as "Lender") as provided for in the Commercial Security Agreement dated May 18, 2004 (the "Agreement"), including but not limited to any and all promissory notes executed thereunder (the "Promissory Notes"), including any and all interest thereon and expenses therefor and any and all extensions and/or renewals of the referenced indebtedness, whether such indebtedness shall at any time or from time to time have been reduced or paid in full and thereafter increased or re-incurred, and no renewal of, or extension of time of payment of the subject indebtedness or any part thereof, and no agreement not to sue or release or discharge of any persons liable therefor or thereon, or release or exchange of other collateral or any act or thing whatsoever shall diminish, discharge, impair or affect this Assignment or the security afforded hereby, save payment in full by the Assignor to Bank of any and all indebtedness of the Assignor to Bank arising under the Agreement and the Promissory Note, while no default exists under any of the other provisions thereof. If such payment in full is made by the Assignor while no such default exists or if any such payment in full is made while any default exists and all such defaults are subsequently corrected by the Assignor, the Assignor shall be entitled to have this Assignment discharged.

Capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement. This Memorandum of Assignment of Lease may be executed in any number of counterparts, each executed counterpart constituting an original but together only one memorandum of Assignment of Lease.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

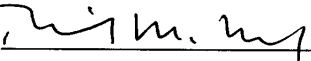
THE BANK OF EDWARDSVILLE
as Bank

By: 

Name: William D. Barlow

Title: Vice President

MIDWEST RAILCAR CORPORATION
as Assignor

By: 

Name: Richard M. Murphy

Title: President

STATE OF Illinois)
) ss.
COUNTY OF Madison)

On this 17 day of May 2004, before me personally appeared
William D. Barlow, to me personally known, who being by me duly
sworn, says that he is the Vice President of THE BANK OF
EDWARDSVILLE, that the foregoing instrument was signed on behalf of said national
banking association, and he acknowledged that the execution of the said instrument was
his free act and deed.

NOTARY PUBLIC: Sandra A. Sachs

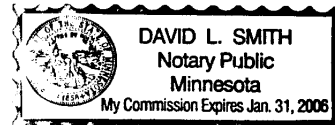


My commission expires: Sept. 13, 2005

STATE OF MN)
) ss.
COUNTY OF Sherburne)

On this 17 day of May 2004, before me personally appeared
Richard M. Murphy, to me personally known, who being by me duly
sworn, says that he is the President of MIDWEST RAILCAR
CORPORATION, that the foregoing instrument was signed on behalf of said limited
liability company, and he acknowledged that the execution of the said instrument was his
free act and deed.

NOTARY PUBLIC: David L. Smith



My commission expires: 1-31-06

SCHEDULE "A"
To Memorandum of Assignment of Lease
SCHEDULE OF RAILCARS
One Page
Forty-nine (49) Units

SCHEDULE OF RAILCARS

Forty-nine (49) 60 ft., 100-ton, 5394-5600 c.f., Plate C, RBL Boxcars with the following reporting marks:

DME 005600
DME 005601
DME 005603
DME 005604
DME 005605
DME 005606
DME 005607
DME 005608
DME 005609
DME 005610
DME 005611
DME 005612
DME 005613
~~DME 005614~~
DME 005615
DME 005616
DME 005617
DME 005618
DME 005619
DME 005620
DME 005621
DME 005622
DME 005623
DME 005624
DME 005625
DME 005626
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DME 005630
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